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## SENATE BILL No. 182

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-4-4.5.

**Synopsis:** Assessed value of farmland. Provides that the base rate used for property tax assessment of agricultural land is the lesser of the base rate determined under current methodology or the preceding year's base rate adjusted by the percent increase or decrease in the annual average Consumer Price Index.

**Effective:** January 1, 2011.

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January 5, 2010, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

## SENATE BILL No. 182

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-4-4.5, AS AMENDED BY P.L.136-2009,  
2       SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JANUARY 1, 2011]: Sec. 4.5. **(a) As used in this section, "index"**  
4       **refers to the United States Department of Labor Consumer Price**  
5       **Index for all Urban Consumers.**

6       **(b) As used in this section, "index factor" refers to the percent**  
7       **change in the annual average index determined by dividing the**  
8       **most recently available annual average index for a calendar year**  
9       **by the annual average index for the immediately preceding**  
10       **calendar year.**

11       ~~(a)~~ **(c)** The department of local government finance shall adopt rules  
12       establishing a system for annually adjusting the assessed value of real  
13       property to account for changes in value in those years since a general  
14       reassessment of property last took effect.

15       ~~(b)~~ **(d)** Subject to subsection ~~(c)~~, **(g)**, the system must be applied to  
16       adjust assessed values beginning with the 2006 assessment date and  
17       each year thereafter that is not a year in which a reassessment becomes



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effective.

~~(c)~~ (e) The rules adopted under subsection ~~(a)~~ (c) must include the following characteristics in the system:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

(C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and

(D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

~~(d)~~ (f) The department of local government finance must review and certify each annual adjustment determined under this section.

~~(e)~~ (g) **Subject to subsection (h)**, in making the annual determination of the base rate to satisfy the requirement for an annual adjustment under subsection ~~(a)~~; (c), the department of local government finance shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to use a six (6) year rolling average instead of a four (4) year rolling average.

**(h) For property taxes first due and payable in a calendar year after 2010, the base rate is the lesser of the following:**

**(1) The result of the methodology referred to in subsection (g) for determination of the base rate.**

**(2) The base rate for property taxes first due and payable in the immediately preceding calendar year adjusted by the index factor.**

~~(f)~~ (i) For assessment dates after December 31, 2009, an adjustment in the assessed value of real property under this section shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.

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